HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

New Brunswick Highlights*

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fall 2012

Figure 1

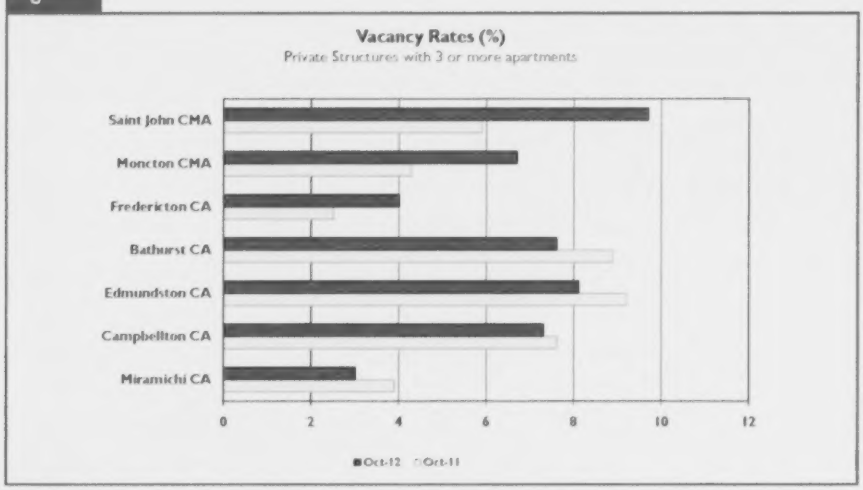
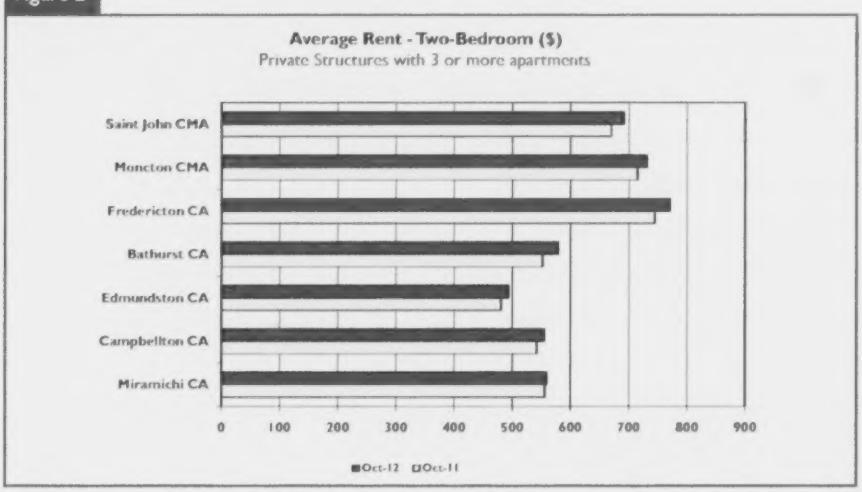


Figure 2



Vacancy Rate Higher in New Brunswick Urban Centres

- The overall vacancy rate for New Brunswick's urban centres was 6.9 per cent in October of 2012, with individual centre rates ranging between 3.0 and 9.7 per cent.
- Fredericton posted the highest average rent in the province at $770, while Edmundston recorded the lowest at $466.
- The overall availability rate for the province's seven urban centres stood at 7.5 per cent.
- The average rent increase in the province, based on structures common to both the 2011 and 2012 surveys, was 2.4 per cent.

*Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

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Overview – Large Urban Centres

Based on Canada Mortgage and Housing Corporation's 2012 Fall Rental Market Survey[1], the vacancy rate in each of New Brunswick's three large urban centres[2] was higher than in the fall of 2011. The lowest vacancy rate in this group was recorded in Fredericton at 4.0 per cent. Conversely, Saint John posted the highest vacancy rate at 9.7 per cent, which was also the highest vacancy rate in the province in the fall of 2012. Meanwhile, in Moncton, the overall vacancy rate was up 2.4 percentage points to 6.7 per cent.

The vacancy rate increases observed in Fredericton and Moncton stemmed from similar developments in both rental markets. As has been the case throughout the past decade, both centres remain as the only two in the province with significant population growth. In addition, a significant share of in-migration in both centres tends to be concentrated in the younger age groups. This has benefitted the rental market, particularly as young people entering the workforce seek their first home. Since 2010, above average rental market construction in each market has resulted in significant expansion of each market's rental stock. As such, supply has grown much faster than demand, leading to the higher vacancy rates in 2012.

Unlike Fredericton and Moncton, rental market construction in Saint John has been relatively limited in recent years. Just over 200 rental completions were recorded in the Saint John CMA between the start of 2011 and the end of the second quarter of 2012. Rental units completed during the third quarter of 2012 are not included in the current survey and therefore have no impact on this year's vacancy rate. Despite limited construction in the rental market, the vacancy rate in Saint John was up 3.8 percentage points to 9.7 per cent. The rise in the vacancy rate can be attributed, in large part, to limited inmigration and favorable market conditions that continue to draw current and potential renters to homeownership.

Among the three major urban centres in the province, Fredericton posted the highest average rent in the province in the fall of 2012 at $770 per month. In comparison, both Moncton and Saint John were lower at $709 and $660 per month, respectively. The average availability rate in the province stood at 7.5 per cent this fall. The availability rate in Fredericton was lower than the provincial average at 4.4 per cent. In Moncton and Saint John, the availability rate in the fall of 2012 was higher at 7.6 and 10.1 per cent, respectively.

Vacancy Rate – Small Urban Centres

In New Brunswick's four smaller urban centres, the vacancy rate in the fall of 2012 ranged from a low of three per cent in Miramichi to a high of 8.1 per cent in Edmundston. While the vacancy rate in three of the province's four smaller urban centres was higher than the provincial average, two of the centres, namely Miramichi and Campbellton, recorded lower vacancy rates compared to last year while the other two saw vacancies remain relatively unchanged. In these centres, apartment unit construction has been limited by relatively soft demand resulting from steady out-migration.

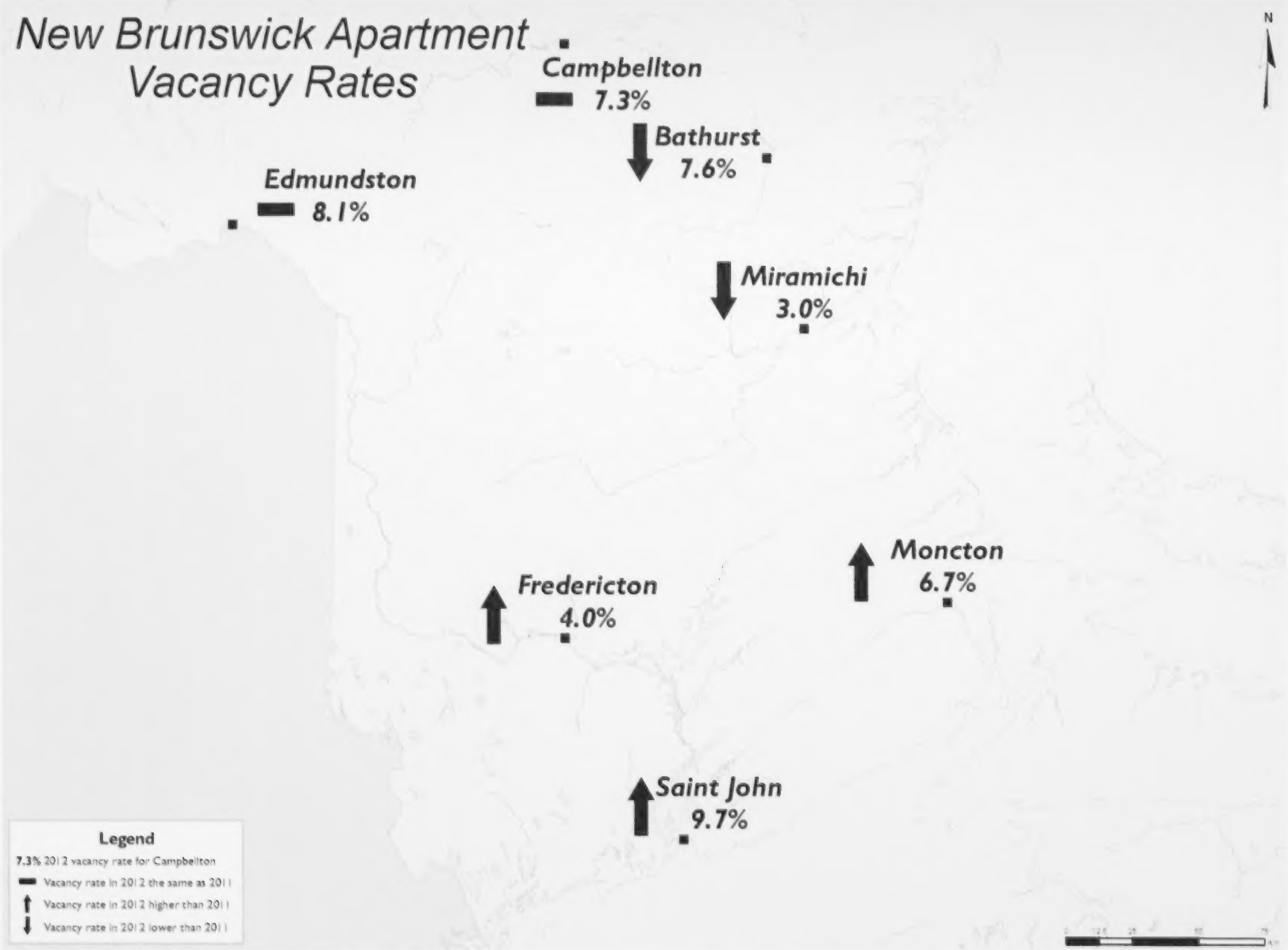
Average Rent – New Brunswick Urban Centres

Overall, average rents in all of New Brunswick's urban centres (based on structures common to both the 2011 and 2012 surveys)[3] recorded a 2.4 per cent increase in 2012. The average rent increases varied from a low of 1.4 per cent in Campbellton to a high of 2.7 per cent in Fredericton. The increase in overall average rents for the popular two-bedroom units was 2.7 per cent.

[1] Based on privately-initiated rental apartment structures of three or more units.

[2] Urban centres are defined as centres with a population of over 10,000. Census metropolitan areas (CMA) are based on Statistics Canada definition.

[3] When comparing year-over-year average rents, the age of the building needs to be taken into consideration because rents in newly-built structures tend to be higher than in existing buildings. By comparing rents for units that are common to both 2011 and 2012 Fall rental market surveys, we can get a better indication of actual rent increases paid by most tenants.


New Brunswick Apartment Vacancy Rates
Campbellton
7.3%
Bathurst
7.6%
Edmundston
8.1%
Miramichi
3.0%
Moncton
6.7%
Fredericton
4.0%
Saint John
9.7%
N
Legend
7.3% 2012 vacancy rate for Campbellton
Vacancy rate in 2012 the same as 2011
Vacancy rate in 2012 higher than 2011
Vacancy rate in 2012 lower than 2011

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12
Moncton CMA	**	**	4.0	4.5	4.2	7.4	7.3	**	4.3	6.7
Saint John CMA	11.2	10.5	6.5	10.7	5.4	9.2	4.4	9.5	5.9	9.7
Bathurst CA	21.7	20.0	10.9	10.3	6.0	4.8	3.8	1.0	8.9	7.6
Campbellton CA	13.6	11.2	9.5	9.2	5.1	5.7	10.4	6.1	7.6	7.3
Edmundston CA	13.9	**	15.2	11.8	4.9	5.4	**	5.1	9.2	8.1
Fredericton CA	1.4	2.7	1.9	3.4	2.8	4.1	2.1	5.5	2.5	4.0
Miramichi CA	0.0	9.0	2.5	3.7	4.6	2.8	**	0.0	3.9	3.0
New Brunswick 10,000+	**8.8**	**8.8**	**5.5**	**7.1**	**4.3**	**6.7**	**4.4**	**7.1**	**4.8**	**6.9**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12
Moncton CMA	479	485	591	619	715	731	794	897	684	709
Saint John CMA	478	486	572	587	670	691	751	734	644	660
Bathurst CA	357	350	451	460	552	579	537	569	502	521
Campbellton CA	409	398	439	439	542	555	666	660	504	511
Edmundston CA	356	360	439	426	481	494	520	567	462	466
Fredericton CA	545	571	637	651	745	771	1,004	1,035	747	770
Miramichi CA	336	323	495	492	556	559	646	566	539	536
New Brunswick 10,000+	**470**	**478**	**568**	**586**	**687**	**707**	**824**	**848**	**661**	**681**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \leq cv \leq 2.5$), b- Very good ($2.5 < cv \leq 5$), c - Good ($5 < cv \leq 7.5$), d - Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.3 Number of Private Apartment Units in the Universe by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12
Moncton CMA	361	366	2,402	2,437	6,683	6,898	489	489	9,935	10,190
Saint John CMA	391	377	2,307	2,294	4,720	4,733	1,128	1,154	8,546	8,558
Bathurst CA	129	130	355	367	649	686	107	104	1,240	1,287
Campbellton CA	44	45	329	322	418	428	66	69	857	864
Edmundston CA	64	61	483	465	657	639	81	79	1,285	1,244
Fredericton CA	334	366	1,556	1,623	4,290	4,277	867	823	7,047	7,089
Miramichi CA	23	23	209	219	560	561	40	44	832	847
New Brunswick 10,000+	**1,346**	**1,368**	**7,641**	**7,727**	**17,977**	**18,222**	**2,778**	**2,762**	**29,742**	**30,079**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12	Oct-11	Oct-12
Moncton CMA	**	**	4.4	5.5	4.8	8.2	7.6	7.7	4.9	7.6
Saint John CMA	13.0	10.5	7.5	11.2	6.1	9.6	5.1	9.7	6.7	10.1
Bathurst CA	21.7	20.0	10.9	10.5	6.0	4.8	3.8	1.0	8.9	7.7
Campbellton CA	13.6	11.2	9.5	9.5	5.1	6.4	10.4	6.1	7.6	7.8
Edmundston CA	13.9	**	15.2	12.1	4.9	6.2	**	5.1	9.2	8.7
Fredericton CA	2.2	2.7	2.1	3.7	3.0	4.6	2.3	5.7	2.7	4.4
Miramichi CA	0.0	9.0	3.5	4.6	5.8	3.5	**	0.0	5.0	3.8
New Brunswick 10,000+	**9.6**	**9.0**	**6.1**	**7.7**	**4.8**	**7.3**	**4.8**	**7.4**	**5.3**	**7.5**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-10 to Oct-11	Oct-11 to Oct-12	Oct-10 to Oct-11	Oct-11 to Oct-12	Oct-10 to Oct-11	Oct-11 to Oct-12	Oct-10 to Oct-11	Oct-11 to Oct-12	Oct-10 to Oct-11	Oct-11 to Oct-12
Moncton CMA	3.5	4.1	2.3	2.5	1.8	1.9	3.4	1.6	2.0	2.2
Saint John CMA	4.1	2.9	3.6	2.9	3.1	3.4	11.1	-3.8	3.6	2.6
Bathurst CA	-0.8	++	1.5	2.7	1.9	2.9	0.8	6.3	1.4	2.6
Campbellton CA	++	-1.5	1.1	0.5	1.6	2.1	++	++	1.2	1.4
Edmundston CA	**	++	**	++	**	2.5	++	**	**	++
Fredericton CA	1.9	++	2.4	2.9	1.5	3.3	2.3	1.0	1.7	2.7
Miramichi CA	++	++	5.2	-0.9	3.4	1.3	**	**	3.2	0.8
New Brunswick 10,000+	**3.0**	**2.5**	**2.8**	**2.4**	**2.2**	**2.7**	**4.8**	**++**	**2.4**	**2.4**

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2011 data presented in this publication is based on Statistics Canada's 2006 Census area definitions. April 2012 data presented in this publication is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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